Finance Policy 8: Investments

I. Purpose

Silicon Valley Clean Energy ("SVCE") shall invest public funds in such a manner as to comply with state and local laws; ensure prudent money management; provide for daily cash flow requirements; and meet the objectives of the Policy, in priority order of Safety, Liquidity and Return on investment.

II. Scope

This investment policy applies to all investment activities and financial assets of SVCE.

III. Policy

A. Objective

- The primary objectives, in priority order, of the investment activities of SVCE shall be:
  - With respect to all investments:
    - To be in compliance with all Federal, State and local laws as well as all SVCE policies and procedures.
    - All investments of SVCE shall be undertaken in a manner which seeks the preservation of principal.
    - To remain sufficiently liquid to enable SVCE to meet all operating requirements which might be reasonably anticipated.
    - To maximize return consistent with risk limitations identified herein and prudent investment principles.
  - With respect to short-term cash management objectives:
    - To accelerate receipt of all funds due to SVCE.
    - To accurately monitor and forecast expenditures and revenues, thus enabling SVCE to invest funds to the fullest extent possible.
    - The investment portfolio shall be designed with the

objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow needs.

B. Standard of Care

- SVCE will manage funds in accordance with the Prudent Investor Standard pursuant to California Government Code 53600.3.1. The "prudent investor" standard shall be applied in the context of managing the overall portfolio. Persons authorized to make investment decisions on behalf of SVCE are trustees and therefore fiduciaries subject to the prudent investor standard which states, "When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency".

C. Delegation of Authority

- The following individuals are authorized to sign investment documents and/or execute cash transfers and make investments of SVCE's funds:
    - Chief Executive Officer, or their designee
    - Chief Financial Officer, or their designee
- SVCE may also delegate investment decision making and execution authority to an investment advisor. The advisor shall follow this Investment Policy and such other written instructions as are provided. Investment advisor must be approved by the SVCE Board prior to engaging with SVCE.

D. Ethics and Conflicts of Interest

- The authorized employees who are responsible for the investment of SVCE funds shall refrain from personal business activity that could conflict with the proper execution of SVCE's investment program, or which could impair the ability to make impartial investment decisions. Pursuant to SVCE's Conflict of Interest Code, employees shall disclose any financial interests and investment holdings that could affect the performance of SVCE's portfolio or the individual's judgement or decisions regarding SVCE's portfolio.

E. Socially Responsible Investments

- SVCE's investment portfolio shall not include investments in companies in the industries or subindustries of fossil fuel extraction, refining, and/or distribution. SVCE's investment advisor shall provide SVCE information on their screening process.

F. Diversification

- SVCE will diversify its investments. With the exception of U.S. Treasury securities, federal agencies, and authorized pools, no more than 5% of SVCE's total investment portfolio will be invested in a single issuer.

G. Additional Investment Standards

- Staff will develop additional standards to implement aspects of this policy. These standards shall address, but are not limited to, the following subjects:
    - Authorized Financial Dealers and Institutions
    - Authorized and Suitable Investments
    - A Hedging Program
    - Reporting Requirements
    - Investment Pools/Mutual Funds
    - Collateralization
    - Safekeeping and Custody
    - Maximum Maturities

- Performance Standards

IV. Policy Compliance

A. Violations

- Any known violations of this policy must be immediately reported to the Finance and Administration Committee, CEO, and General Counsel.

B. Cadence for Review

- This Policy will be reviewed at least every five (5) years.